

The complaint

Mr T complains that Gain Credit LLC trading as Lending Stream (“Lending Stream”) irresponsibly lent to him.

What happened

In August 2024 Mr T applied for a loan with Lending Stream. The application was approved, and he was given £150 to be repaid over six months with a monthly repayment amount £43.75.

Shortly after the loan was provided, Mr T complained to Lending Stream. He said Lending Stream didn’t verify his financial capabilities, and he wasn’t asked about his financial situation. He said he wasn’t privy to a psychological assessment, and his financial situation was made worse by this lending. He also raised points ‘additional lending’ and ‘loan renewal’ as well as Lending Stream not supporting when he was unable to pay.

Lending Stream issued their final response letter. They said, despite Mr T’s complaint points, he’d only ever had one loan from them. They felt that they’d carried out proportionate checks, and Mr T had enough disposable income to repay the debt owed. They advised if he was facing difficulties to get in touch.

Mr T didn’t agree so referred his complaint to our Service. An Investigator here looked into things. They felt that although the checks completed were proportionate, Mr T would be left with £95 disposable income for the six months the loan was due to be repaid over which wasn’t enough.

Lending Stream didn’t agree – they said Mr T declared a monthly income of £1,500 but they significantly reduced this to be conservative to £555.79. They also increased his declared expenditure from £150 to £228.50 per month.

I previously issued a provisional decision that said the following:

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having done so, I’ve reached a different outcome to the Investigator. I know this is likely to disappoint Mr T, so I’ll explain my reasoning in more detail below.

The rules and regulations in place at the time Lending Stream provided Mr T with the loan required them to carry out a reasonable and proportionate assessment of whether he could afford to repay what he owed in a sustainable manner. This is sometimes referred to as an ‘affordability assessment’ or ‘affordability check’.

The checks had to be ‘borrower’ focused. This means Lending Stream had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mr T. In other words, it wasn’t enough for Lending Stream to consider the likelihood of them

getting the funds back or whether Mr T's circumstances met their lending criteria – they had to consider if Mr T could sustainably repay the lending being provided to him.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Lending Stream did what was needed before lending to Mr T.

When Mr T applied for the loan, Lending Stream gathered information regarding his financial circumstances. It recorded that he was earning a salary of around £1,500 per month and had outstanding debt of around £826. Mr T had one default totalling £230 at the time of application, and the most recent was recorded three months prior. This was collated using the information Mr T declared at application, and an external credit check.

I believe the checks Lending Stream carried out were proportionate, and considering the amount being provided to Mr T, and the information they gathered in these checks, I don't think they acted unfairly when providing him with the loan. I say this because it was for a relatively modest amount of £150, and although there were signs of financial difficulty in the recent months, I don't think there's enough to exclude Mr T from obtaining credit. It wouldn't be a significant cost for him to repay this credit in a reasonable period of time based on his salary and existing credit commitments.

I think it's important to note that I currently feel this credit was affordable with Lending Stream using adjusted figures – leaving Mr T with £95 per month for six months. The nature of short-term high-cost credit is to cover customers for a short period of time or in a case of an emergency. Despite this, Mr T declared his monthly income as £1,500 and not £555 – so had Lending Stream used his declared income as I would've expected them to, he'd have been left with significantly more disposable income.

In reaching my conclusions, I've also considered whether the lending relationship between Lending Stream and Mr T might have been unfair to Mr T under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Lending Stream did not lend irresponsibly when providing Mr T with the loan. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So, while it'll likely come as a disappointment to Mr T, I'm not currently minded to uphold his complaint against Lending Stream for the reasons explained above."

Neither Mr T nor Lending Stream responded to my provisional decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As no further evidence or arguments have been raised, my decision remains the same as what I've said in my provisional decision. That is, Lending Stream carried out proportionate checks and the lending was affordable for Mr T.

In reaching my conclusions, I've also considered whether the lending relationship between Lending Stream and Mr T might have been unfair to Mr T under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Lending Stream did not lend irresponsibly when providing Mr T with the loan. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So, while it'll likely come as a disappointment to Mr T, I'm not upholding his complaint against Lending Stream for the reasons explained above.

My final decision

It's my final decision that Gain Credit LLC trading as Lending Stream didn't treat Mr T unfairly when lending to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 November 2025.

Meg Raymond
Ombudsman